

SENATE BILL REPORT

SHB 2384

As of February 19, 2018

Title: An act relating to consumer reporting agency security freeze fees.

Brief Description: Concerning consumer reporting agency security freeze fees.

Sponsors: House Committee on Business & Financial Services (originally sponsored by Representatives Hudgins, Valdez, Macri, Ormsby, Pollet and Appleton).

Brief History: Passed House: 1/31/18, 81-13.

Committee Activity: Financial Institutions & Insurance: 2/20/18.

Brief Summary of Bill

- Removes the ability for credit reporting agencies to charge a fee to consumers for placing, temporarily lifting, or removing a security freeze.
- Requires a study regarding the removal of security freeze-related fees to evaluate impacts to consumers and consumer reporting agencies.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Jeff Olsen (786-7428)

Background: A consumer reporting agency (agency) collects consumer information including payment history, information regarding open accounts, and outstanding balances in order to monitor a person's financial history to compile a credit report. Third parties may access consumer credit reports for a valid business need, such as extending credit, or in some circumstances for employment related reasons.

Any consumer in Washington may request that an agency place a security freeze on his or her credit report. The request for a security freeze must be submitted in writing via certified mail to the agency. Once the agency has received a security freeze request, the agency must place the security freeze within five business days. Within ten business days, an agency must send the consumer written confirmation of the security freeze and provide the consumer with a personal identification number to be used when later authorizing a lift or removal of the freeze.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Subject to certain exceptions, the agency is then prohibited from releasing the report, or information from the report, without the consumer's express permission. A consumer's request for a security freeze does not prohibit the release of the consumer's credit report for purposes that are not credit-related. Currently, the agency may charge up to \$10 for placing, temporarily lifting, or removing a security freeze. An agency may not charge a fee to place a security freeze for victims of identity theft that have provided a copy of a police report evidencing the claim, or to persons age 65 years or older.

In addition, there are similar processes in place for a personal representative to request a security freeze on behalf of a protected person. An agency may charge a fee for security freeze placement or removal for a protected person that is a victim of identity theft or a protected person under the age of 16 that already has a consumer report on file.

Summary of Bill: Credit reporting agencies may not charge consumers a fee to place, temporarily lift, or remove a security freeze.

The Office of Cyber Security, the Office of Privacy and Data Protection, and the Attorney General's Office must evaluate the impact of removing security freeze related fees on consumers and consumer reporting agencies. The findings of the study must be submitted to the Legislature by December 1, 2020.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.